

Debt Service

Introduction

The Debt Services section provides an extensive overview of the City's debt program. It includes financial data on debt limitations, property tax rates and property tax revenues, long-term debt service requirements, limited (non-voted) general obligation debt per capita, individual debt summaries, and a schedule of the City's overall outstanding debt.

Figure 4-1 shows debt margin availability from 1999 through 2008. Table 4-1 provides an overview of the City's outstanding debt, including the total debt availability from 1999 through 2008. The table also includes a breakdown of property tax rates and property tax revenues.

Figure 4-1. Debt Margin Availability

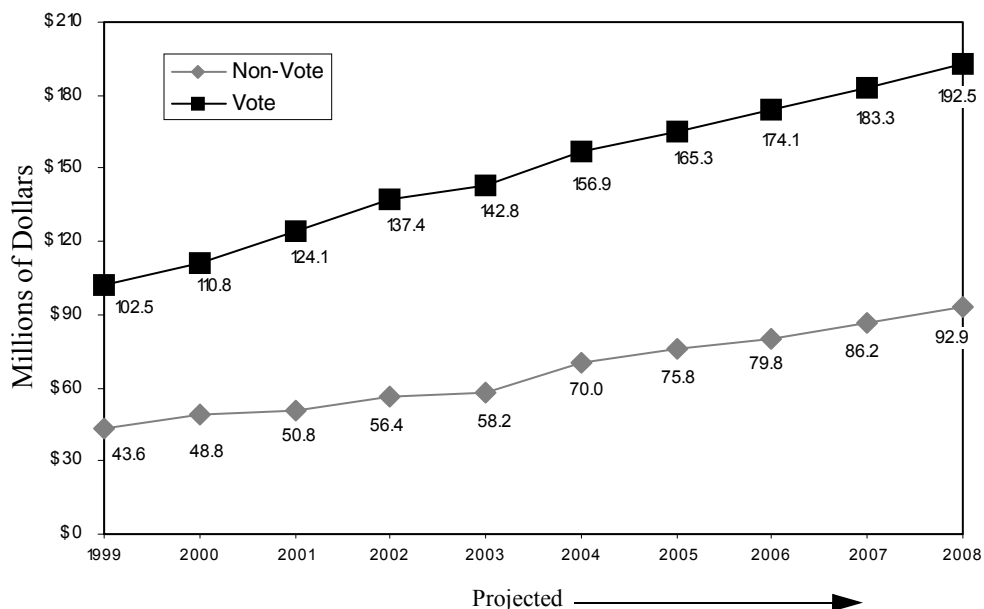


Table 4-1. Projected Limitation of Indebtedness for General Purposes City and Overlapping Tax Rates, and Property Tax Revenue (Sheet 1 of 2)

Title	1999	2000	2001	2002	2003
Indebtedness for General Purposes:					
Assessed Valuation (AV) Used for Next Yr's Levy/ Rates	\$4,258,500,750	\$4,545,321,019	\$5,062,641,752	\$5,593,880,488	\$5,793,213,325
Without a Vote:					
Legal Limit: 1.5% AV	63,877,511	68,179,815	75,939,626	83,908,207	86,898,200
General Obligation Bonds Outstanding	21,203,906	20,151,906	25,580,583	28,272,581	29,575,010
Installment Notes/Contracts Outstanding	242,856	218,831	193,707	167,440	139,972
Total Outstanding Debt	21,446,762	20,370,737	25,774,290	28,440,021	29,714,982
Less: Amount Available for Debt Service	1,151,400	951,092	654,025	977,826	1,026,717
Debt Margin Without A Vote	\$43,582,149	\$48,760,170	\$50,819,361	\$56,446,012	\$58,209,935
With a 3/5% Vote:					
Legal Limit: 2.50% of AV	\$106,462,519	\$113,633,025	\$126,566,044	\$139,847,012	\$144,830,333
Outstanding Debt	5,020,000	3,975,000	3,515,000	3,030,000	2,665,000
Less: Amount in Debt Service Funds	1,103,600	1,145,663	1,048,876	560,698	588,733
Debt Margin Available With Vote	\$102,546,119	\$110,803,688	\$124,099,920	\$137,377,710	\$142,754,066
Total Debt Margin Available	\$146,128,268	\$159,563,859	\$174,919,281	\$193,823,723	\$200,964,001
City and Overlapping Tax Rates:					
(Per \$1000 of Assessed Value)					
City of Renton General Levy	\$3.42726	\$3.39877	\$3.27385	\$3.26036	\$3.18871
City of Renton Special Levy	0.31981	0.28488	0.10078	0.09397	0.08865
Total City of Renton Tax Rate	\$3.74707	\$3.68365	\$3.37463	\$3.35433	\$3.27736
King County	1.77385	1.68951	1.55218	1.44949	1.34948
Port of Seattle	0.23898	0.21585	0.19029	0.18956	0.25895
Hospital District #1	0.15354	0.11830	0.09873	0.09643	0.09254
Renton School District #403	3.78290	3.65397	3.36669	3.11288	2.98691
State of Washington	3.35872	3.30278	3.14502	2.98946	2.89680
Emergency Medical Services	0.29000	0.27299	0.24624	0.25000	0.24143
Total Property Tax Rate	\$13.34506	\$12.93705	\$11.97378	\$11.44215	\$11.10347
Property Tax Revenue:					
General Levy	\$14,310,777	\$15,125,785	\$16,253,829	\$17,871,034	\$18,758,300
Special Levy	1,339,623	1,275,911	523,017	510,660	507,700
Total Property Taxes	\$15,650,400	\$16,401,696	\$16,776,846	\$18,381,694	\$19,266,000

Table 4-1. Projected Limitation of Indebtedness for General Purposes City and Overlapping Tax Rates, and Property Tax Revenue (Sheet 2 of 2)

Title	Projected				
	2004	2005	2006	2007	2008
Indebtedness for General Purposes:					
Assessed Valuation (AV) Used for Next Yr's Levy/Rates	\$6,343,166,272	\$6,660,324,586	\$6,993,340,815	\$7,343,007,856	\$7,710,158,248
Without a Vote:					
Legal Limit: 1.5% AV	95,147,494	99,904,869	104,900,112	110,145,118	115,652,374
General Obligation Bonds Outstanding	26,094,154	25,158,449	26,248,501	25,169,575	24,107,000
Installment Notes/Contracts Outstanding	111,250	81,217	49,813	16,976	0
Total Outstanding Debt	26,205,404	25,239,666	26,298,314	25,186,551	24,107,000
Less: Amount Available for Debt Service	1,078,053	1,131,956	1,188,554	1,247,981	1,310,380
Debt Margin Without A Vote	\$70,020,143	\$75,797,159	\$79,790,352	\$86,206,548	\$92,855,754
With a 3/5% Vote:					
Legal Limit: 2.50% of AV	\$158,579,157	\$166,508,115	\$174,833,520	\$183,575,196	\$192,753,956
Outstanding Debt	2,280,000	1,870,000	1,440,000	985,000	985,000
Less: Amount in Debt Service Funds	618,170	649,078	681,532	715,609	751,389
Debt Margin Available With Vote	\$156,917,326	\$165,287,193	\$174,075,052	\$183,305,805	\$192,520,345
Total Debt Margin Available	\$226,937,470	\$241,084,351	\$253,865,404	\$269,512,353	\$285,376,099
City and Overlapping Tax Rates:					
(Per \$1000 of Assessed Value)					
City of Renton General Levy	\$3.22060	\$3.25280	\$3.28533	\$3.31818	\$3.35137
City of Renton Special Levy	0.07801	0.06865	0.06041	0.05316	0.04678
Total City of Renton Tax Rate	\$3.29861	\$3.32145	\$3.34574	\$3.37135	\$3.39815
King County	1.36297	1.37660	1.39037	1.40427	1.41832
Port of Seattle	0.26154	0.26415	0.26680	0.26946	0.27216
Hospital District #1	0.09347	0.09440	0.09534	0.09630	0.09726
Renton School District #403	3.01678	3.04695	3.07742	3.10819	3.13927
State of Washington	2.92577	2.95503	2.98458	3.01442	3.04457
Emergency Medical Services	0.24384	0.24628	0.24875	0.25123	0.25375
Total Property Tax Rate	\$11.20298	\$11.30487	\$11.40899	\$11.51523	\$11.62347
Property Tax Revenue:					
General Levy	\$18,945,883	\$19,136,000	\$19,328,000	\$19,522,000	\$19,718,000
Special Levy	507,700	515,610	514,815	517,463	517,463
Total Property Taxes	\$19,453,583	\$19,651,610	\$19,842,815	\$20,039,463	\$20,235,463

Source

Assessed Valuation, and Property Tax Rates: 1998-2002 King County Department of Assessments.

Debt Margin: City of Renton Finance Department

Figure 4-2 provides the percentage breakout and the total property taxes paid by all taxpayers within the City of Renton for 2004. These tax totals are based on \$1000,000 assessed valuation.

Figure 4-2. *Property Tax Allocation Among Overlapping “Jurisdictions” - 2004*

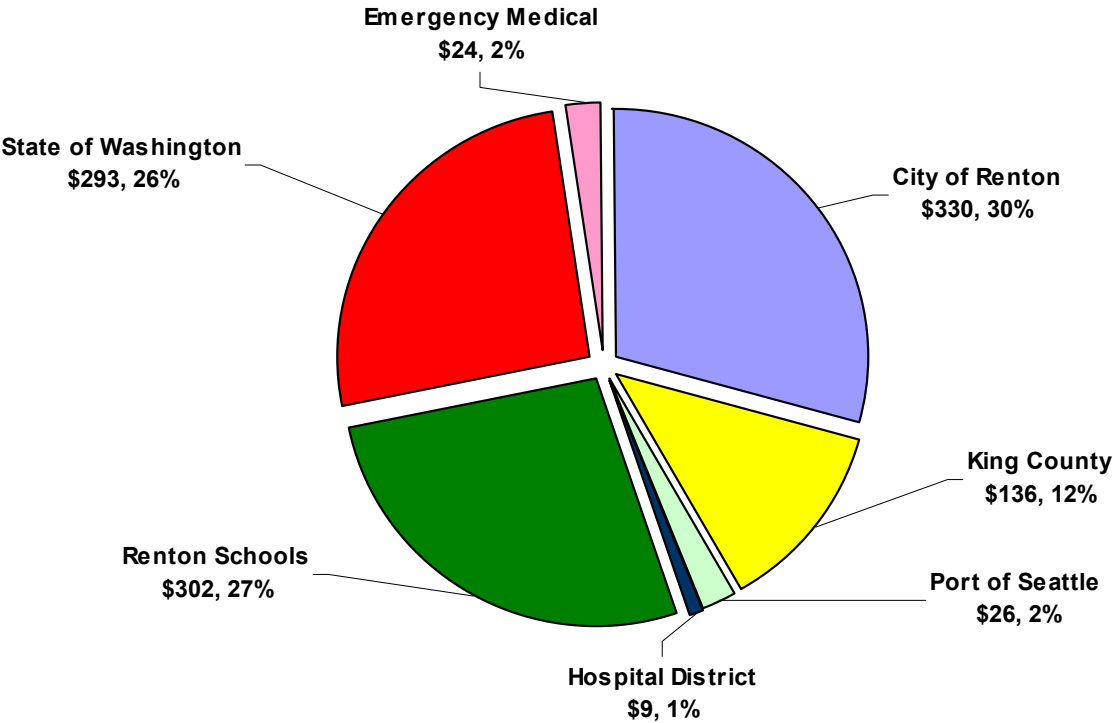


Table 4-2 describes the City's long-term debt program and shows the various forms of debt.

The City's long-term debt is accounted for in three areas: 1) General Obligation Long Term debt (debt in this classification is paid from property taxes and is a general obligation of the City); 2) Proprietary-type Long Term debt (operating revenue of the individual proprietary funds are used to satisfy this debt which includes Revenue Bonds, Public Works Trust Fund Loans and Contract/Lease debt); and 3) Special Assessment Long Term debt (special assessment payments from participants in each special assessment district are used to satisfy this debt). The City is in compliance with all Washington State debt limitation statutes and bond indenture agreements. The City's most current bond ratings from Fitch, and Standard and Poor rating agency for General Obligation Bonds and Revenue Bonds are A+ and AA-, respectively.

Table 4-2 is a summary of long-term debt transactions of the City for the year ending December 31, 2003.

Table 4-2. Long-Term Debt

Item	General Obligation Long Term Debt	Revenue Bonds	Public Works Trust Fund Loans	Contract/ Lease Debt	Special Assessment Debt	Total Long-Term Debt
Outstanding 1/02/03	\$33,797,023	\$31,230,000	\$8,222,135	\$7,238	\$0	\$73,256,396
Issued	0	8,035,000	0	78,192	0	8,113,192
Redeemed	1,551,041	10,195,000	642,689	24,614	0	12,413,344
Outstanding 12/31/03	\$32,245,982	\$29,070,000	\$7,579,446	\$60,816	\$0	\$68,956,244

Debt Service to Maturity

Table 4-3 is a schedule showing the debt service requirements to maturity for the City's long-term debt.

Table 4-3. Debt Service Requirement to Maturity Long-Term Debt Summary as of December 31, 2003 (Dollars in Thousands)

	General Obligation Long Term Debt		Revenue Bonds		Public Works Trust Fund Loans		Contract/ Leases Debt		Special Assessment Debt		Total Long-Term Debt	
Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2004	1,478	1,575	1,725	1,201	643	90	24	2	0	0	3,870	2,868
2005	1,522	1,788	1,890	1,150	608	83	25	0	0	0	4,045	3,021
2006	1,503	1,811	1,950	1,092	608	76	9	0	0	0	4,070	2,979
2007	1,567	1,812	2,025	1,022	608	69	0	0	0	0	4,200	2,903
2008	1,560	1,815	2,105	939	608	62	0	0	0	0	4,273	2,816
2009	1,665	1,688	2,185	860	608	55	0	0	0	0	4,458	2,603
2010	1,704	1,137	2,265	777	608	48	0	0	0	0	4,577	1,962
2011	1,768	1,067	2,355	688	608	40	0	0	0	0	4,731	1,795
2012	1,857	995	2,455	584	608	33	0	0	0	0	4,920	1,612
2013	1,940	900	1,150	483	582	26	0	0	0	0	3,672	1,409
2014	2,031	800	1,105	447	412	20	0	0	0	0	3,548	1,267
2015	2,133	694	1,145	396	407	15	0	0	0	0	3,685	1,105
2016	1,995	582	765	342	313	9	0	0	0	0	3,073	933
2017	2,095	479	805	307	99	3	0	0	0	0	2,999	789
2018	1,615	371	1,000	270	50	1	0	0	0	0	2,665	642
2019	1,705	287	1,000	218	50	1	0	0	0	0	2,755	506
2020	1,800	199	1,000	165	50	0	0	0	0	0	2,850	364
2021	1,885	108	1,045	113	50	0	0	0	0	0	2,980	221
2022	285	14	1,100	58	27	0	0	0	0	0	1,412	72
Total	\$32,108	\$18,122	\$29,070	\$11,112	\$7,547	\$631	58	\$2	\$0	\$0	\$68,783	\$29,867

Figure 4-3 summarizes the City's limited tax general obligation debt from 1995 through 2010. Limited tax general obligation debt is incurred without the vote of the Renton populace while unlimited tax general obligation debt is incurred with voter approval. Table 4-4 further calculates limited tax general obligation debt per capita.

Figure 4-3. Limited Tax General Obligation Debt Through 2010

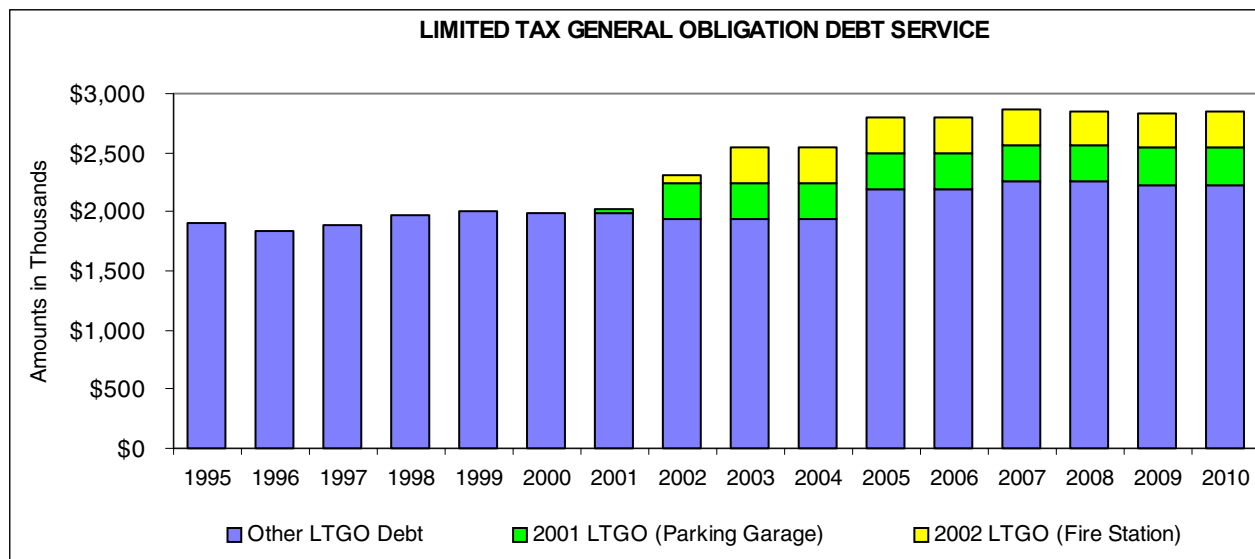


Table 4-4. Limited Tax General Obligation Debt Per Capita

Year	Limited Tax GO Annual Debt Service (Amounts in 000's)	Population	Per Capita
1995	\$1,900	44,890	\$42.33
1996	1,839	45,170	\$40.71
1997	1,884	45,920	\$41.03
1998	1,977	46,270	\$42.73
1999	2,008	47,620	\$42.17
2000	1,990	48,270	\$41.23
2001	2,016	51,140	\$39.42
2002	2,316	53,840	\$43.02
2003	2,544	54,286	\$46.86
2004	2,542	54,732	\$46.44
2005	2,795	55,178	\$50.65
2006	2,800	55,624	\$50.34
2007	2,861	56,070	\$51.03
2008	2,856	56,516	\$50.53
2009	2,835	56,962	\$49.77
2010	2,841	57,409	\$49.49

Note

* The 2001 LTGO (Parking Garage), 2002 LTGO (Fire Station) Debt Service and Valley Communications debt is included in the Limited Tax GO Annual Debt Service column in this table)

* Population projections 2003 - 2010 provided by City of Renton Economic Development, Neighborhoods, Strategic Planning Department. Population growth assumptions exclude potential annexation areas.

Table 4-5 provides a schedule of all the City's outstanding debt for limited and unlimited tax general obligation bonds, installment contracts, revenue bonds, Public Works Trust Fund loans, capital leases, and local improvement district (LID) bonds and notes. The table further outlines interest rates, issue and maturity dates, and the total amount of debt issued. It also provides a financial summary of the outstanding status of the debt.

Table 4-5. Outstanding Debt (Sheet 1 of 2)

Item	Interest Rates	Issue Date	Maturity Date	Total Amount Issued	Outstanding			
					1/12/2003	Issued	Redeemed	12/31/2003
General Obligation Bonds:								
Limited								
1994 G O Bonds	4.60%-6.30%	12/01/94	12/01/04	980,000	65,000	0	30,000	35,000
1996 G O Bonds	4.25%-5.40%	10/15/96	10/15/06	553,337	396,012	0	10,000	386,012
1997 G O Refunding Bonds	5.25%-5.55%	05/01/97	12/01/06	2,683,827	2,683,827	0	849,573	1,834,254
1997 G O Bonds	5.55%-5.75%	05/01/97	12/01/17	14,697,744	2,037,744	0	0	2,037,744
2000 G O Valley Communications	5.31%	09/15/00	12/01/15	2,551,600	2,327,000	0	134,000	2,193,000
2001 G O Refunding Bonds	2.10%-4.85%	10/18/01	12/01/17	13,505,000	13,195,000	0	0	13,195,000
2001 G O Bonds	4.90%-5.00%	10/18/01	12/01/21	6,000,000	6,000,000	0	0	6,000,000
2002 G O Bonds	2.50%-5.00%	07/15/02	12/01/22	3,895,000	3,895,000	0	135,000	3,760,000
Subtotal Limited GO				44,866,508	30,599,583	0	1,158,573	29,441,010
Unlimited								
1993 G O Refunding Bonds-Sr. Housing	2.70%-5.20%	09/01/93	02/01/09	4,270,000	3,030,000	0	365,000	2,665,000
Subtotal Unlimited GO				4,270,000	3,030,000	0	365,000	2,665,000
Total General Obligation Bonds				49,136,508	33,629,583	0	1,523,573	32,106,010
Installment Contracts:								
Certificates of Participation	4.51%	09/01/98	06/01/08	278,172	167,440	0	27,468	139,972
Total Installment Contracts				278,172	167,440	0	27,468	139,972
Total General Obligation Debt				49,414,680	33,797,023	0	1,551,041	32,245,982
Revenue Bonds:								
1993 Water/Sewer	3.00%-5.375%	08/01/93	04/01/13	5,285,000	3,530,000	0	3,530,000	0
1993 Water/Sewer Refunding	3.00%-5.375%	08/01/93	04/01/10	8,860,000	5,650,000	0	5,650,000	0
1994 Water/Sewer	5.45%-6.55%	11/01/94	11/01/04	3,570,000	420,000	0	420,000	0
1998 Water/Sewer Refunding	3.70%-5.10%	03/01/98	06/01/13	6,120,000	5,545,000	0	245,000	5,300,000
1999 Golf System Refunding	3.25%-5.30%	04/01/99	12/01/15	5,040,000	4,105,000	0	235,000	3,870,000
2002 Water/Sewer	2.50%-5.25%	07/01/02	12/01/22	11,980,000	11,980,000	0	115,000	11,865,000
2003 Water/Sewer Refunding	2.00%-3.70%	10/01/03	06/01/13	8,035,000	0	8,035,000	0	8,035,000
Total Revenue Bonds				48,890,000	31,230,000	8,035,000	10,195,000	29,070,000

Table 4-5. Outstanding Debt (Sheet 2 of 2)

Item	Interest Rates	Issue Date	Maturity Date	Total Amount Issued	Outstanding			
					1/12003	Issued	Redeemed	12/31/2003
Public Works Trust Fund Loans:								
Sierra Hts Sewer Imprv	3.00%	10/20/92	07/01/12	888,462	256,425	0	25,642	230,783
Central Renton Sewer Replacement	1.00%	06/14/93	07/01/15	1,631,800	1,066,354	0	87,484	978,870
East Renton Interceptor	2.00%	06/14/93	07/01/13	2,542,704	1,480,270	0	134,570	1,345,700
Dayton Avenue NE	2.00%	05/24/94	07/01/14	96,958	61,237	0	5,103	56,134
Sanitary Sewer Grouting	2.00%	05/19/94	07/01/04	349,011	123,605	0	61,802	61,803
NE 27th/Aberdeen Drainage Improvements	1.00%	06/27/95	07/01/15	731,000	553,667	0	42,590	511,077
E Kennydale Interceptor	2.00%	06/26/96	07/01/16	2,093,740	1,635,962	0	116,855	1,519,107
Honeycreek Interceptor	2.00%	06/26/96	07/01/16	1,840,568	1,356,208	0	96,872	1,259,336
Corrosion Control Treatment Facilities	1.00%	03/26/96	07/01/17	1,106,000	740,354	0	49,357	690,997
Maplewood Water Treatment Improvements	0.50%	01/17/02	07/01/06	425,873	425,873	0	22,414	403,459
Construct CT Pipeline for Wells	0.50%	11/5/02	07/01/22	522,180	522,180	0	0	522,180
Total Public Works Trust Fund Loans				12,228,296	8,222,135	0	642,689	7,579,446
Capital Leases:								
Yamaha Golf Course Carts	5.437%	04/01/00	04/01/03	80,668	7,238	0	7,238	0
Club Car Gold Course Carts	3.810%	04/01/03	04/01/06	78,192	0	78,192	17,376	60,816
Total Capital Leases				158,860	7,238	78,192	24,614	60,816
Total Outstanding Debt				110,691,836	73,256,396	8,113,192	12,413,344	68,956,244

The City's debt program conforms to the City's overall financial policy of maintaining a fiscally stable position to achieve short and long-term goals. A separate City Debt Manual has been prepared and is included as reference in the Finance Department's library. The Debt Manual has been utilized as a vital guide in the preparation of the City's debt program. The manual provides extensive information on general obligation debt, revenue bonds, public works trust fund loans, special assessment debt, contract/lease debt and other miscellaneous debt such as interfund loans and joint venture debt obligations. It also includes the City's most current bond ratings by various independent rating agencies, the City's debt capacity and margin of available indebtedness, and long-term projections for the City's debt service.

LIMITED (NON-VOTED) TAX GENERAL OBLIGATION DEBT

1994 Limited Tax General Obligation Bonds (Ordinance #4483): The 1994 Limited Tax General Obligation Bonds were issued in the amount of \$980,000 and dated December 1, 1994. The average interest rate is 5.76%. These bonds were issued to finance the acquisition of various equipment rental additions and replacements. The debt service was 100% apportioned to the Equipment Rental Fund (501). However, beginning in 1999, the debt service is now accounted for 100% in the General Governmental Miscellaneous Debt Service Fund (215). Interest rate coupons on outstanding bonds range from 5.3% through 6.3%. The final bonds will mature on December 1, 2004. \$670,000 of these bonds was refunded May 1, 1997. See **1997 Limited Tax General Obligation Refunding Bonds Series A**. The last two maturities (2003 and 2004) remain unrefunded.

1996 Limited Tax General Obligation Bonds (Ordinance #4635): The 1996 Limited Tax General Obligation Bonds were issued in the amount of \$553,337 and dated October 15, 1996. The average interest rate is 5.95%. The bonds were issued in denominations of \$1,000. The bonds consisted of \$410,000 serial bonds and \$240,000 capital appreciation bonds (\$143,336.72 Principal and \$96,663.28 Interest). The capital appreciation bonds are due in years 2001, 2005, and 2006 where interest, at rates of 5.1%, 5.5%, and 5.6%, will accrue from date of issuance and be paid at maturity. The proceeds from the bonds were used to acquire two fire apparatus pumpers. The bond sale was handled by City staff for purposes of selling the bonds to local citizens. The last bonds will mature October 15, 2006. Interest rate coupons on serial bonds range from 4.25% through 5.4%. These bonds were not rated. The debt service for these bonds is accounted for in the General Governmental Miscellaneous Debt Service Fund (215).

1997 Limited Tax General Obligation Refunding Bonds Series A (Ordinance #4661): The 1997 Limited Tax General Obligation Refunding Bonds Series A were issued in the amount of \$2,683,826.70 and dated May 1, 1997 with an average interest rate of 6.63% for purposes of advance refunding the following bonds: 1978 Limited Tax General Obligation Bonds, maturing February 1, 1998, with an average interest rate of 5.50% all apportioned to 1978 Limited Tax General Obligation Bonds-Senior Center Fund (207); 1989 Limited Tax General Obligation Bonds, maturing March 1, 1998 through March 1, 2002, with an average interest rate of 6.9% apportioned 80.1% to the General Governmental Miscellaneous Debt Service Fund (215) and 19.9% to the Equipment Rental Fund (501); 1992 Limited Tax General Obligation Bonds, maturing October 28, 1997 through December 1, 2002, with an average interest rate of 4.55% apportioned 77% to the General Governmental Miscellaneous Debt Service Fund (215) and 23% to the Equipment Rental Fund (501); 1993 Limited Tax General Obligation Bonds, maturing February 22, 1997 through December 1, 1999, with an average interest rate of 4.75% all

apportioned to the Solid Waste Utility Fund (403); and 1994 Limited Tax General Obligation Bonds, maturing December 5, 1997 through December 31, 2002, with an average interest rate of 5.7% all apportioned to Equipment Rental Fund (501). Beginning in 1999, the debt service for these bonds is now accounted for 97.11% in the General Governmental Miscellaneous Debt Service Fund (215) and 2.89% in the 1978 Limited Tax General Obligation Bonds-Senior Center Fund (207).

1997 Limited Tax General Obligation Bonds Series B (Ordinance #4662):

The 1997 Limited Tax General Obligation Bonds Series B were issued in the amount of \$14,697,743.60 and dated May 1, 1997. The bonds consisted of \$12,660,000 serial bonds, with an average interest rate of 5.79%, and \$3,830,000 capital appreciation bonds (\$2,037,743.60 Principal and \$1,792,256.40 Interest), with an average interest rate of 7.79%. The capital appreciation bonds are due in years 2006, 2007, 2008 and 2009 where interest, at rates of 5.55%, 5.6%, 5.65% and 5.75%, will accrue from date of issuance and be paid at maturity. The proceeds from the bonds were used to acquire the Main and Grady Building. The \$12,660,000 serial bonds were refunded November 1, 2001. See 2001 Limited Tax General Obligation Refunding Bonds. The \$3,830,000 capital appreciation bonds remain unrefunded. The debt service for these bonds is accounted for in the 1997 Limited Tax General Obligation Bonds-City Hall Fund (201).

2001 Limited Tax General Obligation Refunding Bonds Series A

(Ordinance #4922): The 2001 Limited Tax General Obligation Refunding Bonds Series A were issued in the amount of \$13,505,000 and dated November 1, 2001 with an average interest rate of 5.02% for purposes of advance refunding the serial bond portion of the 1997 Limited Tax General Obligation Bonds with an average interest rate of 5.79%. This resulted in a positive cash flow difference of \$393,062. Proceeds of the 1997 Limited Tax General Obligation Bonds were used to acquire the Main and Grady building. Interest rate coupons on outstanding bonds range from 2.15% through 5.25%. The last bonds will mature December 1, 2017. The debt service for these bonds is accounted for in the 1997 Limited Tax General Obligation Bonds – City Hall Fund (201).

2001 Limited Tax General Obligation Bonds Series B (Ordinance #4922):

The 2001 Limited Tax General Obligation Bonds Series B were issued in the amount of \$6,000,000 and dated November 1, 2001, with an average interest rate of 5.11%. The proceeds of the bonds were used to finance the construction of a downtown parking facility. Interest rate coupons on outstanding bonds range from 5.00% through 5.25%. The last bonds will mature December 1, 2021. The debt service for these bonds is accounted for in the General Governmental Miscellaneous Debt Service Fund (215).

2002 Limited Tax General Obligation Bonds (Ordinance #4977): The 2002 Limited Tax General Obligation Bonds were issued in the amount of \$3,895,000 and dated July 15, 2002, with an average interest rate of 4.53%. The proceeds of the bonds were used to finance the construction of a new fire station. Interest rate coupons on outstanding bonds range from 2.5% through 5.00%. The last bonds will mature December 1, 2022. The debt service for these bonds is accounted for in the General Governmental Miscellaneous Debt Service Fund (215).

Valley Communications Center Development Authority Bonds (Ordinance #4836) were issued and dated September 15, 2000 in the amount of \$12,758,000 (City of Renton portion \$2,551,600) with an average interest rate of 4.74%. The bonds were issued for the purpose of providing funds to acquire, construct and equip a new facility, including land acquisition, for the operation of the Valley Communications Center. Valley Communications Center provides emergency communication services, an essential government service, to the Cities of Auburn, Federal Way, Kent, **Renton**, Tukwila, and other governmental agencies in South King County. The City of Renton, in accordance with Ordinance No. 4836, is responsible for the payment of their one-fifth share of principal and interest. Interest rate coupons on outstanding bonds range from 4.3% through 5.375%. The last bonds will mature December 1, 2015. The debt service for these bonds is accounted for in the General Governmental Miscellaneous Debt Service Fund (215).

A review of Valley Communication Center records was performed in 2003 and additional reserves were identified over and above those required. As a result, the City will not be required to pay their debt service payment due for 2004. Additional analysis will be performed for 2005 and 2006.

UNLIMITED (VOTED) TAX GENERAL OBLIGATION DEBT

1993 Unlimited Tax General Obligation Refunding Bonds (Ordinance #4417): The 1993 Unlimited Tax General Obligation Refunding Bonds were issued in the amount of \$4,270,000 and dated September 1, 1993. The average interest rate is 4.92%. These bonds were issued for purposes of refunding the callable portion of the outstanding 1989 Unlimited Tax General Obligation Bonds to realize savings from a reduction in interest rates, or a savings in property tax to homeowners of about 45 cents per year on a \$100,000 home. The last bonds will be fully redeemed on February 1, 2009. Interest rate coupons on outstanding bonds range from 5.2% through 6.1%. The debt service on these bonds is accounted for in the 1989 Unlimited Tax General Obligation Bonds-Senior Housing Fund (219).

CERTIFICATES OF PARTICIPATION

1998 Certificates of Participation (Resolution #3346): The 1998 Certificates of Participation were issued through a State administered Lease Purchase agreement in September 1998 for the purchase of Energy Conservation/Lighting Retrofit Project for the new city hall. The lease agreement terms are \$278,171.50 for ten (10) years at 4.51% interest. The debt service for these certificates is accounted for in the General Governmental Miscellaneous Debt Service Fund (215).

REVENUE BONDS

1998 Water/Sewer Refunding Revenue Bonds (Ordinance #4709): The 1998 Water/Sewer Refunding Revenue Bonds were issued in the amount of \$6,120,000 and dated March 1, 1998. The average interest rate is 4.456%. These bonds were issued to refund a portion of the 1977, 1992, and 1994 Water/Sewer Revenue Bonds. As a result of the 2003 Refunding Revenue Bonds, the reserve requirement is an amount equal to highest annual debt service on the bonds. The reserve currently being held on these bonds is \$726,329.

1999 Golf System Refunding Revenue Bonds (Ordinance #4772): The 1999 Golf System Refunding Revenue Bonds were issued in the amount of \$5,040,000 and dated April 1, 1999. The average interest rate is 4.9634%. These bonds were issued to refund the 1994 Golf System Revenue Bonds. The reserve requirement is an amount equal to the least of (a) maximum annual debt service on all outstanding bonds and parity bonds, (b) 125% of average annual debt service on all outstanding bonds and parity bonds or (c) 10% of the proceeds of the bonds and parity bonds. The reserve currently being held on these bonds is \$441,358.

2002 Water/Sewer Revenue Bonds (Ordinance #4976): The 2002 Water/Sewer Revenue Bonds were issued in the amount of \$11,980,000 and dated July 1, 2002. The average interest rate is 4.80%. As a result of the 2003 Refunding Revenue Bonds, the reserve requirement is an amount equal to the highest annual debt service of the bonds. The reserve currently being held on these bonds is \$1,496,862.

2003 Water/Sewer Refunding Revenue Bonds (Ordinance #5019): The 2003 Water/Sewer Refunding Revenue Bonds were issued in the amount of \$8,035,000 and dated October 1, 2003. The purposes of these bonds were to defease the entire City's outstanding Water/Sewer Bonds for 1993 and 1994. The average interest rate is 3.20%. As a result of this bond, the reserve requirement is an amount equal to the highest annual debt service of the bonds.

PUBLIC WORKS TRUST FUND LOAN DEBT

Sierra Heights Sewer Repair (CAG 92-065): This public works trust fund loan was issued in the amount of \$888,462 and dated January 20, 1992. The interest rate is 2%. This loan was for the installation of approximately 5,500 lineal feet of 8-inch diameter gravity sewer main to service the Sierra Heights area. This will include the neighborhood mains as well as an interceptor line down to the existing Honey Creek Interceptor.

Central Renton Sewer Replacement (CAG 93-056/95-057): This public works trust fund loan was issued in the amount of \$1,631,800.47 and dated May 24, 1993. The interest rate is 1%. This loan was for the replacement of approximately 10,400 linear feet of existing 8" concrete sewer pipe within the Central Renton Subbasin with new 8" sewer pipe, replacement of 40-50 manholes, replacement of approximately 8,400 linear feet of alleyway as well as an undetermined quantity of storm drainage improvements.

East Renton Interceptor (CAG 93-055): This public works trust fund loan was issued in the amount of \$2,542,704 and dated June 7, 1993. The interest rate is 1%. This loan was for the construction of approximately 9,865 feet of 8,12,15 and 18 inch pipe from the East Renton area (NE 4th and Duvall Ave NE) westerly along NE 4th Street southerly to the Maple Valley Highway, installation of manholes, street restoration and landscaping.

Dayton Avenue NE (CAG 94-045): This public works trust fund loan was issued in the amount of \$96,957.47 and dated May 12, 1994. The interest rate is 2%. This loan was for the installation of approximately 870 linear feet of 8" sanitary sewer main, 3 manholes, and 22-side sewer stubs and street restoration including an asphalt overlay. Expansion to our current infrastructure that will provide sanitary sewer service to a portion of an existing developed single-family neighborhood that currently is utilizing on-site septic systems.

Sanitary Sewer Grouting (CAG 94-046): This public works trust fund loan was issued in the amount of \$349,010.80 and dated May 12, 1994. The interest rate is 2%. This loan was for the grouting and rehabilitation of Honey Creek and South Highlands subbasins including mainline and manhole grouting, various pipe-lining techniques and removal of inflow sources from the sewer system to a storm system.

NE 27th/Aberdeen Drainage Improvements (CAG 95-058): This public works trust fund loan was issued in the amount of \$731,000 and dated May 15, 1995. The interest rate is 1%. This loan was for surveying, design, permitting and construction of approximately 2,800 feet of new 18 or 24-inch stormwater pipe. The project includes manholes, catch basins, control structures, relocation of conflicting utilities, pavement patching and overlay and restoration of all areas disturbed by construction.

East Kennydale Interceptor (CAG 96-079): This public works trust fund loan was issued in the amount of \$2,093,740 and dated January 24, 1998. The interest rate is 2%. This loan was for construction of approximately 5,200 linear feet of 12 to 15 inch sanitary sewer pipe, 14 sewer manholes, replacement of the Devil's Elbow sanitary sewer lift station, 300 linear feet of 6 inch sanitary force main, fish habitat improvements, repair of access road, and associated asphalt patching and paving.

Honeycreek (Sunset) Interceptor (CAG 96-078): This public works trust fund loan was issued in the amount of \$1,840,568.45 and dated December 4, 1995. The interest rate is 2%. This loan was for construction of approximately 5,785 linear feet of 15 to 18 inch sanitary sewer main, 15 sewer manholes, 3,300 square yards of asphalt paving, and related appurtenances to the construction of a sanitary sewer main.

Corrosion Control Treatment Facilities (CAG 96-031/97-130): This public works trust fund loan was issued in the amount of \$1,106,000 and dated January 6, 1997. The interest rate is 1%. This loan was for construction of a building on City property in Cedar River Park between well PW-8 and well PW-9 to store and pump chemicals for treating the water from wells RW.

Maplewood Water Treatment Improvement (CAG 01-175): This public works trust fund loan was issued in the amount of \$425,873 and dated January 17, 2002. The interest rate is .5%. This loan was to fund the costs to eliminate quality problems in water from the Maplewood wellfield wells.

CT Pipeline for Wells RW-1, RW-2 and RW-3 (CAG 02-082): This public works trust fund loan was issued in the amount of \$522,180 and dated November 5, 2002. The interest rate is .5%. This loan was for construction of the CT detention pipeline for wells RW-1, RW-2 and RW-3 at Liberty Park.

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